STATE RISK MANAGEMENT FUND
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2006

	July-06				Current FYTD	Prior Year FY06	3 Years Ended 6/30/2006	5 Years Ended 6/30/2006
		Allocation		Month				
	Market Value	Actual	Policy	Net ROR	Net	Net	Net	Net
LARGE CAP DOMESTIC EQUITY								
Structured Growth								
Los Angeles Capital	85,187	3.1%	3.4%	-3.69%	-3.69%	11.12%	N/A	N/A
Total Structured Growth	**85,187**	**3.1%**	**3.4%**	**-3.69%**	**-3.69%**	**11.12%**	**12.01%**	**-0.32%**
Russell 1000 Growth				*-1.90%*	*-1.90%*	*6.12%*	*8.35%*	*-0.76%*
Structured Value								
LSV	**96,307**	**3.5%**	**3.4%**	**2.03%**	**2.03%**	**15.05%**	**21.14%**	**12.22%**
Russell 1000 Value				*2.43%*	*2.43%*	*12.10%*	*15.70%*	*6.89%*
Russell 1000 Enhanced Index								
LA Capital	**170,963**	**6.1%**	**6.8%**	**-1.08%**	**-1.08%**	**11.58%**	**N/A**	**N/A**
Russell 1000				*0.22%*	*0.22%*	*9.08%*	*N/A*	*N/A*
S&P 500 Enhanced Index								
Westridge	**204,628**	**7.3%**	**6.8%**	**0.65%**	**0.65%**	**8.77%**	**N/A**	**N/A**
S&P 500				*0.62%*	*0.62%*	*8.63%*	*N/A*	*N/A*
Index								
State Street	63,406			0.85%	0.85%	9.51%	11.47%	2.62%
Total Index	**63,406**	**2.3%**	**2.3%**	**0.85%**	**0.85%**	**9.51%**	**11.47%**	**2.62%**
S&P 500				*0.62%*	*0.62%*	*8.63%*	*11.22%*	*2.49%*
TOTAL LARGE CAP DOMESTIC EQUITY	***620,491***	***22.3%***	***22.5%***	***-0.22%***	***-0.22%***	***10.95%***	**13.63%**	**3.95%**
S&P 500				*0.62%*	*0.62%*	*8.63%*	*11.22%*	*2.49%*
SMALL CAP DOMESTIC EQUITY								
Manager-of-Managers								
SEI	***199,265***	***7.2%***	***7.5%***	***-3.55%***	***-3.55%***	***13.58%***	**18.20%**	**7.84%**
Russell 2000 + 200bp				*-3.09%*	*-3.09%*	*16.86%*	*21.06%*	*10.38%*
TOTAL SMALL CAP DOMESTIC EQUITY	***199,265***	***7.2%***	***7.5%***	***-3.55%***	***-3.55%***	***13.58%***	**18.20%**	**7.86%**
Russell 2000				*-3.25%*	*-3.25%*	*14.58%*	*18.70%*	*8.50%*
DOMESTIC FIXED INCOME								
Core Bond								
Western Asset	**633,489**	**22.7%**	**21.7%**	**1.65%**	**1.65%**	**-0.90%**	**7.36%**	**8.59%**
Lehman Aggregate				*1.35%*	*1.35%*	*-0.81%*	*2.05%*	*4.97%*
Core Plus/Enhanced								
Clifton Group	144,692	5.2%	7.2%	N/A	N/A	N/A	N/A	N/A
Prudential	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Core Plus/Enhanced	**144,692**	**5.2%**	**7.2%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Lehman Aggregate				1.35%				
Index								
Bank of ND	**419,824**	**15.1%**	**14.4%**	**1.08%**	**1.08%**	**-1.14%**	**1.14%**	**4.90%**
Lehman Gov/Credit (1)				*1.30%*	*1.30%*	*-1.52%*	*1.04%*	*4.78%*
BBB Average Quality								
Wells Capital (formerly Strong)	**631,402**	**22.7%**	**21.7%**	**1.51%**	**1.51%**	**-2.11%**	**2.63%**	**N/A**
Lehman US Credit BAA				*1.58%*	*1.58%*	*-2.37%*	*2.63%*	*N/A*
TOTAL DOMESTIC FIXED INCOME	***1,829,407***	***65.7%***	***65.0%***	***1.43%***	***1.43%***	***-1.39%***	***6.59%***	***7.79%***
Lehman Aggregate (2)				*1.35%*	*1.35%*	*-0.81%*	*1.84%*	*5.28%*
CASH EQUIVALENTS								
Bank of ND	***136,742***	***4.9%***	***5.0%***	***0.45%***	***0.45%***	***4.50%***	***2.71%***	***2.42%***
90 Day T-Bill				*0.42%*	*0.42%*	*4.00%*	*2.37%*	*2.25%*
TOTAL RISK MANAGEMENT FUND	**2,785,905**	**100.0%**	**100.0%**	**0.67%**	**0.67%**	**2.38%**	**5.46%**	**4.44%**
POLICY TARGET BENCHMARK				*0.79%*	*0.79%*	*2.71%*	*5.12%*	*4.84%*

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.